

General Purchase Terms and Conditions of the company Rieter CZ s.r.o. Usti nad Orlici

1. Effect and validity

These General Terms and Conditions ("Conditions") cover all general as well as individual purchase contracts, individual deliveries of goods and other supplies for the company Rieter CZ s.r.o. as the purchaser, under expressly stated otherwise by the individual or general contract or by other special written agreement of the parties. The application of any general conditions of the seller or third parties is hereby excluded. These Conditions are valid and bind the contracting parties within the extent to which it was agreed by the parties or otherwise accepted under Section 273 of the Commercial Code.

2. Manner of concluding contract

The purchase contract is concluded by accepting (confirming) the prior written order of the purchaser by the seller. The purchaser's order (draft contract) has to include the type/item and volume/number of pieces of the ordered goods, and the seller is obliged to confirm the order in writing no later than within 7 days. After this period, the purchaser is no more bound by his order and may withdraw from it at any time. Possible changes or variations stated in the confirmation of the order bind the purchaser only if the purchaser expresses his consent in writing.

The required written form of the order, its confirmation and other acts of the parties are reserved for the purposes of these Conditions even if the act is made via fax or electronic means (email).

3. Price and payment conditions

The purchase price amounts to what is set forth or agreed in the general or individual purchase contract. The agreed purchase price is fixed and includes all seller's incidental costs, such as packaging costs, freight and forwarding costs, or insurance costs.

The seller becomes entitled to payment once the goods have been duly and timely delivered to the purchaser and once the purchaser has taken a good and unlimited title to the goods.

The purchase price must be billed by a proper tax document (invoice). The purchaser will settle the seller's invoice only if the invoice incorporates all essential and formal elements laid down in the Value Added Tax Act, as amended, including the statutory VAT in Czech currency. Sellers who are value added tax payers must present to the purchaser evidence of their VAT registration.

Invoices are due within 60 days after delivery to the purchaser.

If the purchaser settles the invoice within 14 days from delivery, it will be entitled to a 3% rapid payment discount. If the purchaser settles the invoice within 30 days from delivery, it will be entitled to a 2% rapid payment discount.

4. Acquisition of the ownership title to the goods and the transfer of risk of damage to the goods

The purchaser acquires the ownership title to the goods as soon as the delivered goods is handed over to him. Before the hand-over, the purchaser acquires the ownership title to the transported goods if he gets the authorization to dispose with the shipment.

The seller is liable for the risk of damage to the goods until the purchaser acquires the ownership right to the delivered goods. The seller is liable for damage caused by an insufficient or unsuitable wrapping (packing) also if the purchaser has taken over the shipment at the place of delivery.

5. Delivery of goods and term of delivery

The goods is delivered by the seller properly and in time if the goods is handed over to the purchaser in the determined volume, quality and version, by the agreed due date and at the agreed location (place of delivery). At the hand-over of the goods, the seller is obliged to submit the documents necessary for the take-over and for the use of the goods, as well as other documents determined in the contract.

The binding term for the delivery of the goods (term of delivery) is agreed in the general or individual purchase contract, always to the determined place of delivery. The deliveries before such agreed term may be carried out only with prior written consent of the purchaser who is entitled to refuse a premature delivery of the goods.

Should the seller be in default with the delivery of the goods, he is liable under the respective provisions of the Commercial Code. In case of default with the delivery of the goods, the seller is obliged to pay to the purchaser the contractual penalty amounting to 0,05 % of the total purchase price of the shipment. This does not affect the possible claims of the purchaser for damages and the purchaser's right to withdraw from the contract.

6. Liability for defects and how to claim it

Seller must deliver the goods in the amount, quality and with the specifications set forth by the general or specific sales contract, and must pack the goods and prepare them for transport with due professional care. If the Seller breaches this obligation, the goods are defective. The Seller will be held liable for the defects within the scope laid down by the Commercial Code. The definition of defect includes the delivery of goods contrary or at variance from contract specifications, defects in documents required to use the goods and any legal defects of the goods.

The Purchaser may claim the Seller's liability for defects at any time during the warranty period. The claim must be submitted in writing. The claim may be made for the entire consignment or for its part. The Purchaser's rights that arise out of the Seller's liability for defects are governed by the applicable provisions of the Commercial Code. Where the Purchase becomes entitled to claim more than one defect under the Commercial Code, he may choose which one or which ones at his sole discretion. The Purchaser may claim from the Seller the settlement of all his costs associated with making the claim. The limitation period for claiming the Seller's liability for defects is set at four (4) years.

Purchaser's right to claim the Seller's liability for defects is without prejudice to the Purchaser's right to claim damages caused by defective goods.

7. Warranty

The Seller warrants that the supplied goods will be fit for the agreed purpose or the purpose for which they are ordinarily used for the period, and that they will exhibit their agreed or ordinary characteristics for the period of two (2) years. The warranty period starts upon the goods' delivery to the Purchaser and does not include the period in which the Purchaser may not use the goods on account of their defect covered by Seller's warranty.

8. Product liability

The Seller as the manufacturer, importer or distributor of the goods is held to be responsible for their compliance with all statutory requirements, in particular regarding their safety. If selling the so-called qualified products, the Seller is responsible for their compliance with the technical requirements for products and for having the possession of the certificate of compliance as laid down in Act 22/1997 Sb., to regulate Technical Requirements for Products, as amended.

Seller and the manufacturer will be held responsible for any damage caused by the product's manufacturing defects under Act 59/1998 Sb., to regulate Product Defect Liability, as amended.

The Seller must enter into a product liability insurance policy with a reasonable cover corresponding to the size of Purchaser's order and covering the warranty risks, and keep it valid and effective for the entire duration of the Parties' contractual relation. The insurance policy must:

- have a worldwide coverage, incl. USA/Canada,
- cover the costs of assembly and disassembly.

At Purchaser's request, the Seller must produce evidence as to the existence of this liability insurance.

9. Environment protection

In all his supplies and deliveries, the Seller must comply with the applicable domestic and international environment legislation, including the Regulation of the European Union No. 1907/2006/EC (REACH). The products and parts supplied by the Seller must not contain any products, raw materials or substances that are prohibited by any of the applicable legislation.

10. Intellectual property and Seller's Documents

All drawings, computations, models, designs and samples, and all other support documents provided to the Seller remain the sole property of the Purchaser, and the Seller is obliged, at the Purchaser's request, to return them to the Purchaser without delay. Without the Purchaser's express written consent, the Seller may not disclose or surrender the documents to third parties. Buyer owns all instruments, implements, gauges, models etc. that he paid for and the Seller is obliged to store them properly and protect them against damage, loss or theft.

11. Governing law

The Parties' contractual relations arising from and related to the present Conditions are governed by the law of the Czech Republic, and in particular, by the Czech Commercial Code, to the exclusion of the UN Convention on Contracts for the International Sale of Goods (Vienna, 1980).

12. Arbitration Clause

If not resolved informally, all disputes arising from this Agreement and in connection with it shall be finally decided in arbitration proceedings before the Arbitration Court attached to the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic in Prague in accordance with its Rules by three arbitrators.